

**Reports and Financial Statements 31<sup>st</sup> December  
2009**

Registration No.1649

**THE MALAYSIAN SOCIETY FOR  
TRANSPARENCY & INTEGRITY**

**REPORTS AND FINANCIAL STATEMENTS  
31ST DECEMBER, 2009**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY  
(Registration No.1649)**

**Report on the Financial Statements**

We have audited the financial statements as set out on pages 3 to 12 comprising the balance sheet of The Malaysian Society For Transparency & Integrity and the notes to the financial statements as at 31<sup>st</sup> December, 2009 and the income and expenditure account, statement of changes in fund balances and statement of receipts and payments.

**Council Members' Responsibility for the Financial Statements**

The council members of the Society are responsible for the preparation and fair presentation of these financial statements in accordance with applicable MASB Approved Accounting Standards in Malaysia for Private Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the council members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements have been properly drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia for Private Entities so as to give a true and fair view of the financial position of the Society as of 31st December, 2009 and of its financial performance and statement of receipts and payments for the year then ended.

**Report on Other Legal and Regulatory Requirements**

In accordance with the rules and regulations of the Society, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Society have been properly kept.

**Other Matters**

This report is made solely to the members of the Society, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**GOMEZ & CO.**  
**AF 0611**  
**CHARTERED ACCOUNTANTS**

**JEFFREY GERARD GOMEZ**  
**1245/4/11(J)**

Kuala Lumpur  
Date:

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**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
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**BALANCE SHEET - 31ST DECEMBER, 2009**

	Note	2009 RM	2008 RM
PLANT AND EQUIPMENT	3	32,218	33,310
CURRENT ASSETS			
Receivables, deposits and prepayment	4	420,718	180,074
Cash and bank balances		438,136	322,098
Tax recoverable		44,178	11,428
		903,032	513,600
LESS: CURRENT LIABILITY			
Payables and accruals	5	476,216	98,355
NET CURRENT ASSETS		<u>426,816</u>	<u>415,245</u>
		<u>459,034</u>	<u>448,555</u>
Financed by:-			
ACCUMULATED FUND		<u>459,034</u>	<u>448,555</u>

The annexed notes form an integral part of the financial statements.

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
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**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 2009**

	Note	2009 RM	2008 RM
<b>INCOME</b>	6		
Funds received			
- Grant		336,838	360,000
Membership fee		28,600	18,000
Fixed deposit interest received		6,014	7,815
Other income		-	800
CEO Forum		-	800
Forestry workshop		-	66,780
CRINIS Project		-	7,003
Occasional Talk by Lim Guan Eng		-	2,920
Gain on disposal of plant and equipment		417	-
Training on TI's Anti Corruption Tools		5,150	-
National Anti Corruption Summit		53,300	-
Sale of materials		880	-
		431,199	464,118
<b>PROJECT FUNDINGS</b>	6		
Project Swiss Poster		-	3,288
Project TI-S Berlin		38,970	49,361
		38,970	52,649
		470,169	516,767
<b>LESS:-</b>			
<b>PROJECT EXPENSES</b>			
National Anti Corruption Summit		53,763	-
Training on TI's anti Corruption Tools		2,715	-
CEO Forum		-	5,525
Forestry workshop		-	23,660
CRINIS Project		-	2,875
Occasional Talk by Lim Guan Eng		-	7,797
		(56,478)	(39,857)
<b>STAFF COSTS (Appendix I)</b>		(279,939)	(229,057)
<b>DEPRECIATION</b>		(10,881)	(15,135)
<b>OTHER OPERATING EXPENSES (Appendix I)</b>		(139,890)	(178,058)
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		(17,019)	54,660
<b>TAXATION</b>	7	27,498	(33,448)
<b>NET SURPLUS FOR THE YEAR</b>		10,479	21,212

The annexed notes form an integral part of the financial statements.

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
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	2009	2008
	RM	RM
<b>STAFF COSTS</b>		
Personnel expenses		
- Bonus	13,540	-
- Salaries and allowances	232,577	201,151
- EPF	29,749	21,945
- SOCSO	1,453	1,785
- Medical expenses	611	2,223
- Staff amenities	-	1,953
- Staff refreshments	2,009	-
	<u>279,939</u>	<u>229,057</u>
<b>EXPENDITURE:</b>		
Accounting fee	3,600	3,600
Advertisement	432	-
Audit fee	2,300	2,300
Annual General Meeting expenses	2,020	2,217
Bank charges	354	267
Consultancy fee	7,885	-
Courier and postage	2,348	1,377
Press conference expenses	1,340	-
Extraordinary General Meeting expenses	4,550	-
Electricity and water	6,921	5,685
Entertainment	990	2,076
Meeting expenses	1,294	3,077
Insurance	6,924	-
Internet expenses	8,616	10,376
Legal fee	1,239	-
Licence and registration	50	50
Loss on foreign exchange - realised	945	-
Newspapers and periodicals	763	1,665
Office rental	34,279	31,423
Printing and stationery	10,686	11,520
Printing of newsletter	3,300	17,400
Freedom of Information Workshop	-	35,175
Service tax	357	410
Subscription fee	450	450
Media monitoring	63	4,360
Tax fee	1,250	1,362
Telecommunication	12,456	9,759
Penalty	1,302	431
Perdiem expenses	-	438
Travel - local and overseas	16,858	26,039
Upkeep of office	3,281	3,281
Upkeep of office equipment and maintenance	3,037	3,320
	<u>139,890</u>	<u>178,058</u>

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**STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED 31ST DECEMBER, 2009**

	ACCUMULATED FUND RM
AS AT 1ST JANUARY, 2008	427,343
SURPLUS FOR THE YEAR	<u>21,212</u>
AS AT 31ST DECEMBER, 2008	<u>448,555</u>
AS AT 1ST JANUARY, 2009	448,555
SURPLUS FOR THE YEAR	<u>10,479</u>
AS AT 31ST DECEMBER, 2009	<u>459,034</u>

The annexed notes form an integral part of the financial statements.



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**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
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**STATEMENT OF RECEIPTS AND PAYMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2009**

	2009	2008
	RM	RM
RECEIPTS		
Funds received		
- Grant	296,954	220,173
- Forestry Workshop	-	66,780
- CRINIS Project	-	7,004
- National Anti Corruption Summit	20,000	-
Membership fee	24,200	16,000
Fixed deposit interest received	6,014	9,203
Other income	-	800
Sale of materials	880	-
Reimbursement from TI-S Berlin	38,970	49,361
Reimbursement from Swiss Poster Project	-	3,288
Receivables		
- Project TI-S Berlin	-	6,425
- Grant from Petronas	119,712	60,000
- Others	-	153
- Fixed deposit interest receivables	-	1,578
Payables		
- Forestry Governance Integrity (FGI) Project	178,732	-
- Project TI-S Berlin	23,575	374
- EU Project	-	3,000
- Membership fee received in advance	1,100	4,400
- Funds for National Anti Corruption Project	-	20,000
- CRINIS Project	129,660	10,000
- Freedom of Information (FOI) Project	97,918	-
Entrance fee received from CEO Forum	-	800
Entrance fee received from Occasional Talk by Lim Guan Eng	-	2,920
Entrance fee received from National Anti Corruption Summit	13,300	-
Entrance fee received from Training on TI's Anti Corruption Tools	5,150	-
	<u>956,165</u>	<u>482,259</u>
LESS:		
PAYMENTS (Appendix II)	<u>(840,127)</u>	<u>(511,778)</u>
SURPLUS/(DEFICIT) OF RECEIPTS OVER PAYMENTS	116,038	(29,519)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<u>322,098</u>	<u>351,617</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD (Note 8)	<u>438,136</u>	<u>322,098</u>

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
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**DETAILS OF PAYMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2009**

	2009 RM	2008 RM
Accounting fee	3,300	3,300
Advertisement	432	-
Annual General Meeting expenses	2,020	2,217
Bank charges	354	267
Bonus	13,540	-
CEO Forum	-	5,525
Consultancy fee	7,885	-
Courier and postage	2,348	1,377
CRINIS	-	2,875
Deposits	-	24,420
Electricity and water	6,662	4,964
Entertainment	990	2,076
EPI	29,749	16,861
Extraordinary General Meeting expenses	4,550	-
Forestry Workshop	-	23,660
Freedom of Information Workshop	-	35,175
Insurance	6,924	-
Internet expenses	8,616	9,026
Legal fee	1,239	-
Licence and registration	50	50
Loss on foreign exchange - realised	915	-
Media monitoring	63	4,360
Medical expenses	611	2,223
Meeting expenses	1,294	2,397
National Anti Corruption Summit	53,763	-
Newspapers and periodicals	763	1,665
Ocasional talk by Lim Guan Eng	-	7,797
Office rental	34,279	31,423
Penalty	1,302	431
Perdiem expenses	-	438
Press conference expense	1,340	-
Printing and stationery	10,023	11,147
Printing of newsletter	3,300	17,400
Purchase of plant and equipment	9,789	27,036
Receivables, deposits and prepayment	346,339	480
Salaries and allowances	232,300	188,237
Service tax	179	410
SOCISO	1,144	1,187
Staff amenities	-	1,954
Staff refreshment	2,009	-
Subscription fee	450	450
Sundry payables and accruals	8,383	10,819
Tax fee	-	1,362
Tax paid	5,252	26,370
Telecommunication	12,129	9,759
Training on TI's anti Corruption Tools	2,715	-
Travel - local and overseas	16,778	26,039
Upkeep of office	3,281	3,281
Upkeep of office equipment and maintenance	3,037	3,320
	<u>840,127</u>	<u>511,778</u>

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
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**NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2009**

**1. GENERAL INFORMATION**

The principal activity of the Society is to promote transparency and integrity. There has been no significant changes in this activity during the financial year.

The average number of employees during the year numbered 5 (2008 – 4).

The Society is a society registered with the Registrar of Societies.

The address of the registered office and principal place of business of the Society is as follows:-

Suite B-11-6, Level 11  
Wisma Pantai, Plaza Pantai  
No.5, Jalan 4/83A  
Off Jalan Pantai Baru  
59200 Kuala Lumpur.

**2. ACCOUNTING POLICIES**

a) Basis of Preparation

The financial statements of the Society have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies. The financial statements comply with the applicable MASB Approved Accounting Standards in Malaysia for Private Entities.

b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation. Plant and equipment are depreciated on a straight line basis to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Office equipment	10%
Computer equipment	25%
Furniture and fitting	10%

c) Cash and cash equivalents

Cash and cash equivalents represent cash and bank balances, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

d) Income Recognition

The Society's income consists of contributions from its members, donations and project funding from Transparency International, projects organizer and various donors. Income has been accounted for on accrual basis unless there exists significant uncertainty as to the measurability or recoverability.

e) Currency Translations

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at exchange rates approximating those ruling at balance sheet date. All exchange differences are taken to the income statement.

The closing rates used in translating foreign monetary assets and liabilities are as follows:-

SGD1.00	:	RM2.4401
EURO1.00	:	RM4.9191
GBP1.00	:	RM5.5001

3. **PLANT AND EQUIPMENT**

The details of plant and equipment are as follows:-

	Office equipment RM	Computer equipment RM	Furniture and fittings RM	Total RM
<b>Cost</b>				
As at 1 <sup>st</sup> January, 2009	28,847	56,528	8,584	93,959
Additions	566	8,200	1,023	9,789
Disposal	-	(1,320)	-	(1,320)
As at 31 <sup>st</sup> December, 2009	<u>29,413</u>	<u>63,408</u>	<u>9,607</u>	<u>102,428</u>
<b>Accumulated Depreciation</b>				
As at 1 <sup>st</sup> January, 2009	13,067	43,296	4,286	60,649
Charge for the year	2,941	6,979	961	10,881
Disposal	-	(1,320)	-	(1,320)
As at 31 <sup>st</sup> December, 2009	<u>16,008</u>	<u>48,955</u>	<u>5,247</u>	<u>70,210</u>

	Office equipment RM	Computer equipment RM	Furniture and fittings RM	Total RM
<b>Net Book Value</b>				
As at 31 <sup>st</sup> December, 2009	13,405	14,453	4,360	32,218
As at 31 <sup>st</sup> December, 2008	15,780	13,232	4,298	33,310
<b>Depreciation charge</b>				
Year ended 31 <sup>st</sup> December, 2008	2,885	11,392	858	15,135

4.	<b>RECEIVABLES, DEPOSITS AND PREPAYMENT</b>	2009 RM	2008 RM
	Forestry Governance Integrity (FGI) Project	120,189	-
	Project TI-S Berlin	-	2,117
	Grant receivable	60,000	139,827
	Deposits	13,870	37,650
	CRINIS Project	47,521	-
	Prepayment	720	480
	Freedom of Information (FOI) Project	178,418	-
		<u>420,718</u>	<u>180,074</u>
5.	<b>PAYABLES AND ACCRUALS</b>	2009 RM	2008 RM
	<b>Payables</b>		
	Advance received for:		
	- Freedom of Information (FOI) Project	97,917	-
	- Forestry Governance Integrity (FGI) Project	178,732	-
	- CRINIS Project	129,660	-
	- EU Project	12,934	12,934
	- Project TI-S Berlin	23,575	26,703
	- Project National Anti Corruption Summit	-	20,000
	Membership fee received in advance	1,100	4,400
	CRINIS Project – Honorarium payable	-	10,000
		443,918	74,037
	<b>Accruals</b>		
	Audit fee	4,945	2,300
	EPF	-	5,082
	SOCSO	664	597
	Others	16,689	16,339
	CRINIS Project – Honorarium payable	10,000	-
		<u>32,298</u>	<u>24,318</u>
		<u>476,216</u>	<u>98,355</u>

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<b>6. INCOME</b>	<b>2009</b>	<b>2008</b>
	<b>RM</b>	<b>RM</b>
Grant	336,838	360,000
Membership fee	28,600	18,000
Projects funding	38,970	52,649
Fixed deposits interest received	6,014	7,815
Other income	-	800
CEO forum	-	800
Forestry workshop	-	66,780
CRINIS Project	-	7,003
Occasional Talk by Lim Guan Eng	-	2,920
Gain on disposal of plant and equipment	417	-
National Anti Corruption Summit	53,300	-
Sale of materials	880	-
Training on TI's Anti Corruption Tools	5,150	-
	<u>470,169</u>	<u>516,767</u>
<b>7. TAXATION</b>	<b>2009</b>	<b>2008</b>
	<b>RM</b>	<b>RM</b>
Current year taxation	-	33,333
(Over)/Underprovision in previous year	(27,498)	115
	<u>(27,498)</u>	<u>33,448</u>
<b>8. CASH AND CASH EQUIVALENTS</b>	<b>2009</b>	<b>2008</b>
	<b>RM</b>	<b>RM</b>
Cash and cash equivalents consist of:		
Fixed deposits placed with financial institutions	229,180	278,580
Cash and bank balances	208,956	43,518
	<u>438,136</u>	<u>322,098</u>

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**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
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**STATEMENT BY MEMBERS OF THE EXECUTIVE COMMITTEE**

We, DATUK PAUL LOW SENG KUAN and NGOOI CHIU ING, being two of the members of the Executive Committee of The Malaysian Society For Transparency & Integrity, state that, in the opinion of the Executive Committee, the financial statements set out on pages 3 to 12 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31st December, 2009 and of the income and expenditure account and receipts and payments of the Society for the year then ended in accordance with applicable MASB Approved Accounting Standards in Malaysia for Private Entities.

On behalf of the members of the Executive Committee



DATUK PAUL LOW SENG KUAN  
President



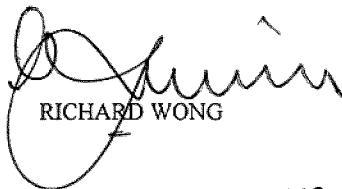
NGOOI CHIU ING  
Secretary General

Kuala Lumpur

Date: 23 FEB 2010

**STATEMENT BY TREASURER**

I, RICHARD WONG, the person primarily responsible for the financial management of The Malaysian Society For Transparency & Integrity, do solemnly and sincerely declare that the financial statements set out on pages 3 to 12, are in my opinion, correct.



RICHARD WONG

Date: 23 FEB 2010